

Residential Exemption Application Requirement & Deadline

January Lien Date & Tax Relief

Utah Tax Code 59-2-103 requires all property within the state to be taxed at 100% of its fair market value, as valued on **January 1** of each year. However, the Utah Constitution allows for a **45% residential exemption** for the primary residence of the owner. The residential exemption is limited to one primary residence per household. The exemption is also allowed for residential property you rent to a tenant. To qualify, the property must be the full-time primary residence of the tenant.

- ***Example: assume a residential property taxed at its full market value has an annual property tax of \$3,000. Tax on the same property with the exemption applied is reduced to \$1,650.***

Washington County Application Requirement & April 30 Deadline

Utah Tax Code 59-2-103.5 and Washington County Code 8-2 require a property owner to apply for the residential exemption by **April 30**. The residential exemption application requests information needed in order to grant the exemption. Upon completing and returning the application to our office, we can determine if your property qualifies for the exemption.

If we do not receive the completed application we will be unable to consider the exemption and the property will be classified Non-Primary, which is taxed at 100% its full market value. This could result in a significant increase in annual property tax.

Administrative Fee

Applications filed after the **April 30 deadline** will be assessed a **\$50 administrative fee** payable at the time of filing.

Purchase & Mortgage Consequences

Residential property purchased after the January 1 lien date will be considered for the exemption in the following tax year. The current year will carry the market value and classification determined on January 1 regardless of any change in use or ownership occurring after the January 1 lien date. This may result in considerable impacts in the purchase and mortgage process which include loan qualification, contract negotiation, property tax escrow accounts, cash due at closing, etc. **We encourage all real estate buyers and sellers to discuss property tax implications with all professionals providing services in the real estate purchase and mortgage process.**